AMENDED IN SENATE JUNE 30, 2009 AMENDED IN ASSEMBLY APRIL 27, 2009

CALIFORNIA LEGISLATURE—2009-10 REGULAR SESSION

ASSEMBLY BILL

No. 566

Introduced by Assembly Member Nava (Principal coauthor: Assembly Member Furutani)

February 25, 2009

An act to amend Section 66427.5 of the Government Code, relating to mobilehome parks.

LEGISLATIVE COUNSEL'S DIGEST

AB 566, as amended, Nava. Mobilehome parks: conversion.

(1) The

The Subdivision Map Act requires a subdivider, at the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a mobilehome park to resident ownership, to avoid the economic displacement of nonpurchasing residents by obtaining a survey of support of residents of the mobilehome park for the proposed conversion, among other things. A violation of the act is a crime punishable as a felony or a misdemeanor. The subdivider is required to be subject to a hearing by a legislative body or advisory agency, the scope of which is limited to the issue of compliance with the requirement of conducting a survey and avoiding economic displacement of nonpurchasing residents.

This bill would require that survey of residents of the mobilehome park for proposed conversion to demonstrate support of a majority of the residents of the mobilehome park. Because the bill would expand the scope of an existing crime, it would impose a state-mandated local AB 566 —2—

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program authorize a legislative body or advisory body, in deciding whether to approve, conditionally approve, or disapprove a map, to additionally consider, in that hearing, whether the survey demonstrates that the majority of residents support the conversion.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: <u>yes-no</u>. State-mandated local program: <u>yes-no</u>.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 66427.5 of the Government Code is 2 amended to read:
 - 66427.5. At the time of filing a tentative or parcel map for a subdivision to be created from the conversion of a rental mobilehome park to resident ownership, the subdivider shall avoid the economic displacement of all nonpurchasing residents in the following manner:
 - (a) The subdivider shall offer each existing tenant an option to either purchase his or her condominium or subdivided unit, which is to be created by the conversion of the park to resident ownership, or to continue residency as a tenant.
 - (b) The subdivider shall file a report on the impact of the conversion upon residents of the mobilehome park to be converted to resident-owned subdivided interest.
 - (c) The subdivider shall make a copy of the report available to each resident of the mobilehome park at least 15 days prior to the hearing on the map by the advisory agency or, if there is no advisory agency, by the legislative body.
 - (d) (1) The subdivider shall obtain a survey—demonstrating support of a majority of of support of the residents of the mobilehome park for the proposed conversion.
 - (2) The survey of support shall be conducted in accordance with an agreement between the subdivider and a resident homeowners' association, if any, that is independent of the subdivider or mobilehome park owner.
 - (3) The survey shall be obtained pursuant to a written ballot.

3 AB 566

(4) The survey shall be conducted so that each occupied mobilehome space has one vote.

- (5) The results of the survey shall be submitted to the local agency upon the filing of the tentative or parcel map, to be considered as part of the subdivision map hearing prescribed by subdivision (e).
- (e) The subdivider shall be subject to a hearing by a legislative body or advisory agency, which is authorized by local ordinance to approve, conditionally approve, or disapprove the map. The scope of the hearing shall be limited to the issue of compliance with this section. In deciding whether to approve, conditionally approve, or disapprove a map pursuant to this section, the legislative body or advisory agency may additionally consider, in that hearing, whether the survey required by subdivision (d) demonstrates that the majority of residents support the conversion.
- (f) The subdivider shall be required to avoid the economic displacement of all nonpurchasing residents in accordance with the following:
- (1) As to nonpurchasing residents who are not lower income households, as defined in Section 50079.5 of the Health and Safety Code, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent to market levels, as defined in an appraisal conducted in accordance with nationally recognized professional appraisal standards, in equal annual increases over a four-year period.
- (2) As to nonpurchasing residents who are lower income households, as defined in Section 50079.5 of the Health and Safety Code, the monthly rent, including any applicable fees or charges for use of any preconversion amenities, may increase from the preconversion rent by an amount equal to the average monthly increase in rent in the four years immediately preceding the conversion, except that in no event shall the monthly rent be increased by an amount greater than the average monthly percentage increase in the Consumer Price Index for the most recently reported period.
- SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIIIB of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or

AB 566 —4—

- 1 infraction, eliminates a crime or infraction, or changes the penalty
- 2 for a crime or infraction, within the meaning of Section 17556 of
- 3 the Government Code, or changes the definition of a crime within
- 4 the meaning of Section 6 of Article XIII B of the California
- 5 Constitution.